

BILL ANALYSIS

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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The gravity of federal debt and federal obligations was established early in American history, with deficits occurring only in relation to extraordinary circumstances such as war; yet for much of the 20th century and into the 21st, the United States has operated on a budget deficit, including the 2010 budget year, which surpassed an astounding \$1.3 trillion, an annual deficit that exceeded the entire gross state product of Texas.

Congress has been unwilling or unable to address the persistent problem of overspending and has recently increased the statutory limit on the public debt with the passage of H.J.Res. 45, 111th Congress (2010), and enacted a variety of legislation that will ultimately cause the federal government to incur additional debt.

The consequences of current spending policies are far-reaching. United States indebtedness to governments of foreign nations continues to rise. Costly federal programs that are essentially unfunded or underfunded mandates to states threaten the ability of state and local governments to continue to balance their budgets. Moreover, future generations of Americans inevitably face increased taxation and a weakened economy as a direct result of the bloated debt.

Many states have previously requested that Congress propose a constitutional amendment requiring a balanced budget, but Congress has proven to be unresponsive. Anticipating situations in which Congress at times could fail to act, the drafters of the United States Constitution had the foresight to adopt the language in Article V that establishes that on application of the legislatures of two-thirds of the several states, Congress shall call a convention for proposing amendments.

In both 1977 and 1978, the Texas Legislature made application to Congress to call a convention under Article V, and through the years, many other states have done the same, all to no avail.

A balanced budget amendment would require the government not to spend more than it receives in revenue and compel lawmakers to carefully consider choices about spending and taxes. By encouraging spending control and discouraging deficit spending, a balanced budget amendment will help put the nation on the path to lasting prosperity.

RESOLVED

That the 82nd Texas Legislature of the State of Texas hereby respectfully urge the Congress of the United States to propose and submit to the states for ratification a federal balanced budget amendment to the United States Constitution.

That, in the event that Congress does not submit a balanced budget amendment to the states for ratification on or before December 31, 2011, the 82nd Texas Legislature hereby make application to the United States Congress to call a convention under Article V of the United States Constitution to propose an amendment to that constitution requiring that, in the absence of a national emergency, and as determined by the positive vote of at least two-thirds of the members of each house of Congress, the total of all federal appropriations made by Congress for any fiscal year not exceed the total of all estimated federal revenue for that fiscal year.

That, unless rescinded by a succeeding legislature, this application by the 82nd Texas Legislature constitutes a continuing application in accordance with Article V of the United States

Constitution until at least two-thirds of the legislatures of the several states have made application for a convention to provide for a balanced budget.

That, in the event that Congress does not submit a balanced budget amendment to the states for ratification on or before December 31, 2011, the 82nd Texas Legislature hereby request that the legislatures of each of the several states that compose the United States apply to Congress requesting Congress to call a convention to propose such an amendment to the United States Constitution.

That this application is rescinded in the event that a convention to propose amendments to the United States Constitution includes purposes other than providing for a balanced federal budget.

That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the House of Representatives and the president of the Senate of the United States Congress, and to all members of the Texas delegation to Congress with the request that this resolution be officially entered in the Congressional Record as an application to the Congress of the United States of America for a convention to propose an amendment to provide for a federal balanced budget in the event that Congress does not submit such an amendment to the states for ratification on or before December 31, 2011.

That the Texas secretary of state forward official copies of this resolution to the secretaries of state and to the presiding officers of the legislatures of the other states.